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RURAL AREAS DEVELOPMENT

newsletter

September 1961

No. 36

*We must show the
world what a
free economy can do
...to put unused
capacity to work,
spur new
productivity and
foster higher
economic growth.
President Kennedy.*

The Department of Agriculture is moving into high gear to help local people organize State and local Rural Areas Development Programs and put the new Area Redevelopment Act to work in their fight against unemployment, underemployment, and chronic poverty. Here are recent highlights --

- 487 rural counties in 41 States and Puerto Rico have been named as eligible for Area Redevelopment Program participation, based on USDA findings.
- The first ARA loan and grant went to a small rural town in northern Arkansas.
- USDA was named to take the lead in administering the ARA program in rural areas.
- USDA agencies with key Rural Areas Development assignments are putting into operation the machinery to service localities taking part in the program.

Here are the details:

USDA ASSIGNED ARA LEAD IN RURAL AREAS

The Department of Agriculture has the basic responsibility of helping eligible rural counties obtain benefits under the Area Redevelopment Program.

This assignment came July 26 when Secretary of Commerce Luther A. Hodges named seven Federal agencies to help administer the program. In addition to the Department of Agriculture, the agencies are Area Redevelopment Administration, Department of Commerce; Departments of the Interior; Labor; and Health, Education, and Welfare; Small Business Administration; and Housing and Home Finance Agency.



Among the Department of Agriculture's major duties in the program are:

- Recommending rural counties to be declared eligible for assistance.
- Reviewing both Overall Economic Development Programs for eligible rural areas and individual projects as consistent with these programs.
- Supplying technical aid in Rural Redevelopment Areas to help local leaders develop plans and projects.

Secretary of Agriculture Orville L. Freeman said that the Department's Rural Areas Development Program, now being organized in all States, enables speedy action in Rural Redevelopment Areas. ARA benefits will supplement and reinforce the Department's Program aimed at curing rural underemployment throughout the country, he declared.

USDA AGENCIES GEAR SERVICES TO RAD PROGRAM

"Rural Areas Development is not going to be just a sideline with us. We are going to set up a special staff to concentrate on this phase of our program," REA Administrator Clapp said last May addressing the National Rural Electric Cooperative Association. REA has now assigned this staff, which is headed by Richard M. Hausler and includes 14 loan, operations, and management specialists. Together with REA field personnel, they will assist borrowers to expand industry in the latter's service areas. More than 200 borrowers in 40 States are receiving aid in organizing industrial phases of RAD programs.

The Farmers Home Administration also has a special staff to handle RAD activities, and is planning a series of five meetings early in September to review the program with key personnel. Chaired by FHA, RAD technical panels of USDA representatives now have been formed in most States. FHA is also reviewing Overall Economic Development Plans for rural redevelopment areas, three of which were approved in August, for northeast Minnesota, northeast Pennsylvania, and Ontonagon County, Michigan, respectively.

Recent actions by Congress have broadened FHA authority in both the farm development and rural housing fields. For example, small farmers can now receive loans to buy added acreage. And housing loans are available to anyone in a rural area who can not obtain credit on reasonable terms, under a new \$430 million FHA program.

Federal and State Extension officials held four regional conferences in July to review the entire RAD program, with emphasis on Extension's responsibilities. With a few exceptions RAD committees of State agencies and non-government organizations have now been formed in all States. In nearly 30 States these committees have already designated redevelopment districts of two or more counties. Everett C. Weitzell heads the FES RAD office.

All agencies represented on the Department's RAD Board are supplying advice and assistance in getting the program under way. The Department's Office of Rural Areas Development, headed by Turley Mace, is now staffed with five specialists, each assigned a geographical region of the country. Working with State and local leaders, these "program expeditors" help coordinate RAD operations and solve administrative problems. They include: former Indiana Congressman Earl L. Hogan, Midwest; David J. Humphrey, Northeast; C. B. Gilliland, Southwest; George E. Bradley, West; and Frank Pollard, Southeast.

ARA ELIGIBLE COUNTIES TOTAL ABOVE 750

A fourth of the nation's counties are included in areas now eligible for aid under the Area Redevelopment Act.

The Department of Commerce summed up the eligible areas as follows:

	<u>Areas</u>	<u>Counties</u>	<u>Approximate Population</u>
5 (a) Labor Market Areas	129	241 <u>1/</u>	19.4 million
5 (b) Rural Redevelopment County Areas	487	487 <u>2/</u>	9.0 million
5 (b) Indian Reservation Areas	47	135 <u>3/</u>	.2 million <u>4/</u>
Grand total	663	863	28.6 million

1/ Includes 25 partial counties

2/ Includes 3 partial counties

3/ Counties and parts of counties. Overlaps with other 5 (b). Areas not subtracted.

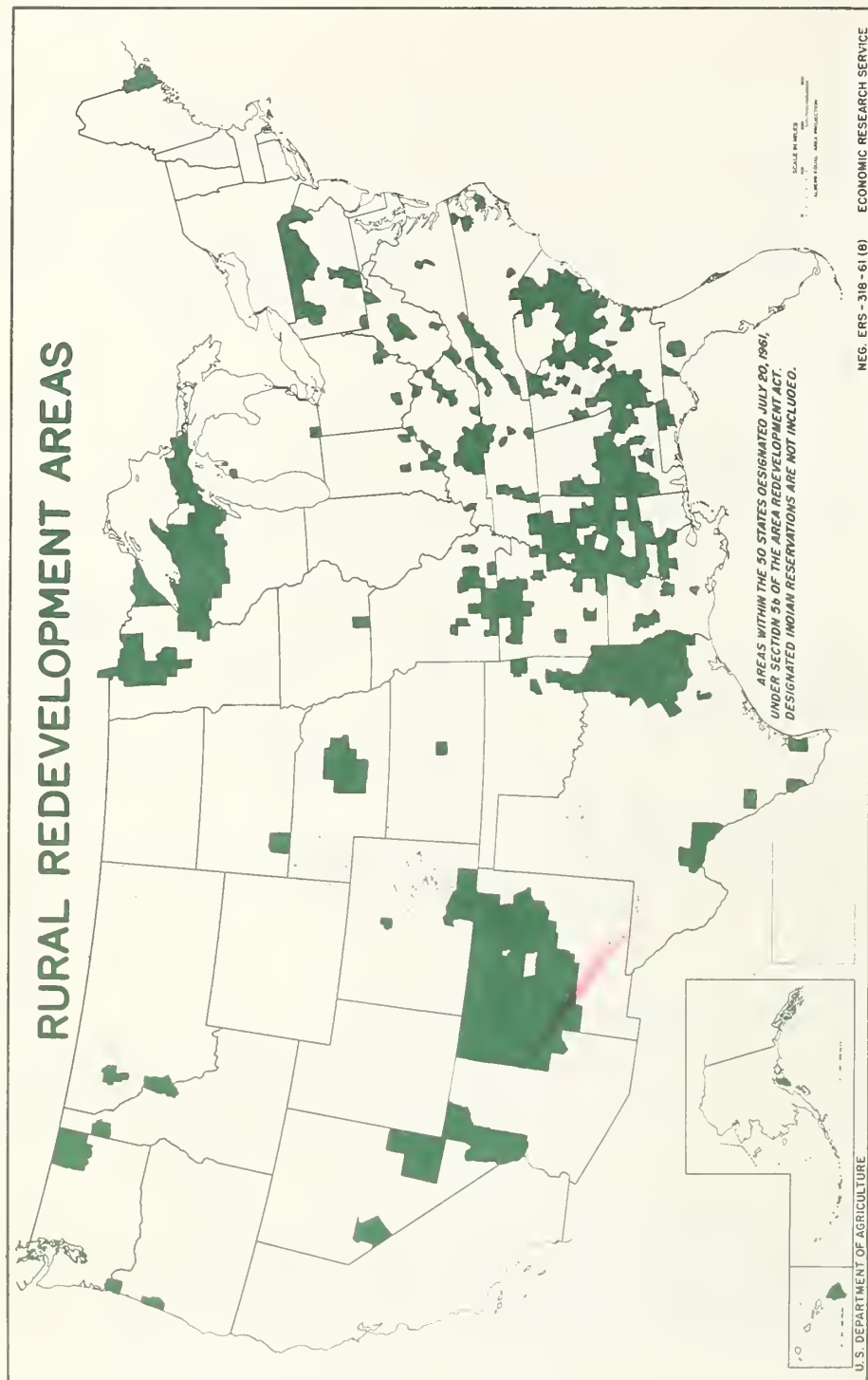
4/ Indians only.

OZARK RURAL TOWN FIRST TO BENEFIT FROM ARA ACT

Gassville, a little town in the Ozark area of Arkansas, received the first loan and grant authorized anywhere in the nation by the Area Redevelopment Administration.

The authorization announced July 14 by Secretary Hodges includes a \$31,000 loan and a \$129,000 grant to build a water system in Gassville, Arkansas. An adequate water supply will enable the town to service a local clothing manufacturer wanting to expand, and to attract additional industries. Gassville is located in a four-county area where some 3,000 families live on small, marginal farms. Eventually, it is planned, industries in the area will provide 1,200 jobs.

Under procedures set up by the Area Development Administration, the Department of Agriculture reviewed and approved the Gassville project, which is located in a rural redevelopment 5 (b) area.



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Growth Through Agricultural Progress